

**PROPOSAL NO. 3**  
**Foremost, et al.**

**Proposed Transportation and Assembly Credit Language**

§ 1032.55 **Transportation credits and assembly credits.**

- (a) Each handler operating a pool supply plant described in § 1032.7(c) or (f) that transfers bulk milk to a pool distributing plant described in §1032.7(a), (b), or (e) shall receive a transportation credit for such milk computed as follows:
- (1) Determine the hundredweight of milk eligible for the credit by completing the steps in paragraph (c) of this section;
  - (2) Multiply the hundredweight of milk eligible for the credit by .30 cents times the number of miles between the transferor plant and the transferee plant (not to exceed 500 miles);
  - (3) Subtract the effective Class I price at the transferor plant from the effective Class I price at the transferee plant;
  - (4) Multiply any positive amount resulting from the subtraction in paragraph (a)(3) of this section by the hundredweight of milk eligible for the credit; and
  - (5) Subtract the amount computed in (a)(4) of this section from the amount computed in paragraph (a)(2) of this section. If the amount computed in paragraph (a)(4) of this section exceeds the amount computed in paragraph (a)(2) of this section, the transportation credit shall be zero.
- (b) Each handler operating a pool distributing plant described in §1032.7(a), (b), or (e) that receives milk from dairy farmers, each handler that transfers or diverts bulk milk from a pool plant to a pool distributing plant, and each handler described in §1000.9(c) that delivers milk to a pool distributing plant shall receive an assembly credit on the portion of such milk eligible for the credit pursuant to paragraph (c) of this section. The credit shall be computed by multiplying the hundredweight of milk eligible for the credit by 10 cents.

(c) The following procedure shall be used to determine the amount of milk eligible for transportation and assembly credits pursuant to paragraphs (a) and (b) of this section:

- (1) At each pool distributing plant, determine the aggregate quantity of Class I milk, excluding beginning inventory of packaged fluid milk products;
- (2) Subtract the quantity of packaged fluid milk products received at the pool distributing plant from other pool plants and from nonpool plants if such receipts are assigned to Class I;
- (3) Subtract the quantity of bulk milk shipped from the pool distributing plant to other plants to the extent that such milk is classified as Class I milk;
- (4) Subtract the quantity of bulk milk received at the pool distributing plant from other order plants and unregulated supply plants that is assigned to Class I pursuant to §§1000.43(d) and 1000.44; and
- (5) Assign the remaining quantity pro rata to physical receipts during the month from:
  - (i) Producers
  - (ii) Handlers described in §1000.9(c); and
  - (iii) Other pool plants.

(d) For purposes of this section, the distances to be computed shall be determined by the market administrator using the shortest available state and/or Federal highway mileage. Mileage determinations are subject to redetermination at all times. In the event a handler requests a redetermination of the mileage pertaining to any plant, the market administrator shall notify the handler of such redetermination within 30 days after the receipt of such request. Any financial obligations resulting from a change in mileage shall not be retroactive for any periods prior to the redetermination by the market administrator.

**§ 1032.60 Handler's value of milk**

Add new paragraph (k)

(k) Compute the amount of credits applicable pursuant to §1032.55.